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May 12, 2023

Consolidated Financial Results for the First Quarter Ended March 31, 2023 (Under Japanese GAAP)

Company name: Renewable Japan Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9522
 URL: <https://www.rn-j.com/en/>
 Representative: Katsuhito Manabe, President and representative director
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 Scheduled date to commence dividend payments: -
 Scheduled date to file quarterly financial report: May 12, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2023

(from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results (cumulative)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2023	4,683	47.7	865	-	627	-	451	-
March 31, 2022	3,171	-	(504)	-	(883)	-	(609)	-

Note: Comprehensive income For the three months ended March 31, 2023: 493 million yen [-%]
 For the three months ended March 31, 2022: (716) million yen [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2023	15.47	15.07
March 31, 2022	(21.19)	-

Notes: 1. As the Company has not prepared consolidated financial statements for the three months ended March 31, 2021, the percentage indicating year-on-year changes for the three months ended March 31, 2022 are not indicated.

2. Diluted earnings per share for the three months ended March 31, 2022 is not indicated as basic earnings per share was a net loss, although potential shares exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2023	167,575	13,108	5.9
December 31, 2022	166,729	12,608	5.6

Reference: Shareholders' equity
 As of March 31, 2023: 9,840 million yen
 As of December 31, 2022: 9,293 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2023	-				
Fiscal year ending December 31, 2023 (Forecast)		0.00	-	0.00	0.00

Note: Changes from the latest released dividend forecasts: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	26,700	50.7	3,300	155.9	1,200	-	750	-	25.69

Note: Changes from the latest released performance forecasts: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	29,200,050 shares
As of December 31, 2022	29,168,332 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	38 shares
As of December 31, 2022	38 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	29,191,675 shares
Three months ended March 31, 2022	28,739,717 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements)

Any statement on the future such as an outlook for financial results included in this material is based on information the Company presently has and certain assumptions the Company considers reasonable, and the Company does not promise such will be achieved. In addition, actual financial results may significantly differ due to various factors.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	December 31, 2022	March 31, 2023
Assets		
Current assets		
Cash and deposits	14,444,792	10,866,419
Accounts receivable-trade and contract assets	1,421,868	2,120,608
Power plant for sale	16,855,180	19,437,056
Power plant for sale (in progress)	1,200,113	973,991
Other	4,568,900	5,264,287
Total current assets	38,490,856	38,662,363
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,631,198	3,631,198
Machinery, equipment and vehicles	102,034,229	102,035,733
Land	4,667,169	4,698,556
Construction in progress	6,065,192	6,590,405
Other	341,486	353,067
Accumulated depreciation	(2,675,349)	(4,299,859)
Total tangible assets	114,063,926	113,009,101
Intangible non-current assets	3,590,821	3,588,900
Investments and other assets		
Investment securities	3,364,946	3,907,790
Deferred tax assets	1,471,456	2,751,187
Long-term prepaid expenses	5,083,043	4,986,055
Other	664,348	670,152
Total investments and other assets	10,583,794	12,315,185
Total non-current assets	128,238,542	128,913,188
Total assets	166,729,399	167,575,551
Liabilities		
Current liabilities		
Accounts payable-trade	151,523	397,822
Short-term borrowings	3,460,450	3,782,551
Corporate bonds redeemable within one year	148,000	148,000
Long-term borrowings to be repaid within one year	9,667,717	9,394,866
Non-recourse long-term borrowings to be repaid within one year	4,480,552	3,765,437
Accounts payable	1,557,976	1,817,941
Income taxes payable	642,788	1,667,029
Provision for bonuses	-	74,710
Allowance for construction cost loss compensation	5,286	5,286
Other	2,744,913	1,063,366
Total current liabilities	22,859,208	22,117,011
Non-current liabilities		
Bonds	1,600,000	1,550,000
Long-term borrowings	43,554,252	51,184,852
Non-recourse long-term borrowings	74,855,539	68,458,629
Long-term accounts payable	3,159,647	3,150,466
Deferred tax liabilities	4,393,747	4,307,451
Reserve for repairs	110,290	116,254
Asset retirement obligations	2,891,362	2,895,392
Other	696,621	686,922
Total non-current liabilities	131,261,461	132,349,969
Total liabilities	154,120,670	154,466,981

(Thousands of yen)

	December 31, 2022	March 31, 2023
Net Assets		
Shareholders' equity		
Capital	4,627,673	4,631,178
Capital surplus	4,451,657	4,455,161
Retained earnings	221,317	671,614
Treasury stock	(59)	(59)
Total shareholders' equity	9,300,588	9,757,894
Accumulated other comprehensive income		
Foreign currency translation adjustment	(6,634)	82,551
Total accumulated other comprehensive income	(6,634)	82,551
Share acquisition rights	-	1,038
Non-controlling interests	3,314,774	3,267,084
Total net assets	12,608,729	13,108,569
Total liabilities and net assets	166,729,399	167,575,551

Note: All Yen amounts are rounded down to the nearest 1,000 Japanese yen.

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)
(For the three months ended March 31, 2023)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Sales	3,171,628	4,683,620
Cost of sales	2,751,064	2,733,279
Gross profit	420,563	1,950,340
Selling, general and administrative expenses	925,306	1,085,114
Operating profit (loss)	(504,742)	865,226
Non-operating profit		
Interest income	833	509
Insurance claim income	54,722	198,742
Gain on investments in silent partnership	5,163	64,363
Share of profit of entities accounted for using equity method	363	353
Other	7,299	42,380
Total non-operating profit	68,382	306,348
Non-operating expenses		
Interest expenses	338,182	494,535
Other	108,616	49,141
Total non-operating expenses	446,799	543,677
Ordinary profit (loss)	(883,159)	627,896
Extraordinary losses		
Impairment losses	-	892
Total extraordinary losses	-	892
Profit (loss) before income taxes	(883,159)	627,004
Income taxes – current	254,984	1,595,945
Income taxes – deferred	(428,617)	(1,372,843)
Total income taxes	(173,632)	223,101
Profit (loss)	(709,526)	403,902
Net profit attributable to non-controlling interests	(100,513)	(47,690)
Net profit (loss) attributable to owners of parent	(609,013)	451,593

Note: All Yen amounts are rounded down to the nearest 1,000 Japanese yen.

(Quarterly consolidated statement of comprehensive income)
(For the three months ended March 31, 2023)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net profit (loss)	(709,526)	403,902
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,793)	-
Foreign currency translation adjustment	-	89,186
Total other comprehensive income	(6,793)	89,186
Comprehensive income	(716,320)	493,089
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(615,807)	540,779
Comprehensive income attributable to non-controlling interests	(100,513)	(47,690)

Note: All Yen amounts are rounded down to the nearest 1,000 Japanese yen.